



COUNCIL MINUTES

February 21, 2008

The City Council of the City of Mesa met in a Study Session in the lower level meeting room of the Council Chambers, 57 East 1st Street, on February 21, 2008 at 7:31 a.m.

COUNCIL PRESENT

Mayor Keno Hawker
Kyle Jones
Scott Somers
Darrell Truitt
Claudia Walters
Mike Whalen

COUNCIL ABSENT

Tom Rawles

OFFICERS PRESENT

Christopher Brady
Debbie Spinner
Linda Crocker

Mayor Hawker excused Councilmember Rawles from the entire meeting. He also excused Vice Mayor Walters from the remainder of the meeting at 9:33 a.m. after the discussion of agenda item #4.

1. Hear a presentation, discuss and provide direction on FY 07/08 and 08/09 budget issues for Building Safety and Planning.

Development Services Director Christine Zielonka introduced Planning Director John Wesley and Building Safety Director Terry Williams. She displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and said that permit revenues fund Building Safety and a part of the Planning Department. Ms. Zielonka stated that their objective is to balance service levels with revenues, and she noted that the budgets for Fiscal Year (FY) 07/08 and 08/09 were based on "no growth" projections. She advised that permit revenues currently fund 95 positions in Building Safety, 12 in Planning and 3 in Information Technology. Ms. Zielonka reported that revised forecasts indicate a six percent reduction in revenues for the current year and an additional six percent in FY 08/09. She said that staff continues to seek ways to streamline services and improve efficiency, and she added that staff met with the Development Advisory Forum to explain the current situation and to request their input regarding priorities and service requirements.

Mr. Williams continued the PowerPoint presentation by reviewing graphs that indicated a decline in total new construction permits. He also reviewed graphs depicting activity levels for commercial plan reviews and inspections. Mr. Williams stated that if current staffing levels were maintained, the Building Safety fund balance would have a deficit of \$240,933 in FY 07/08, and a deficit of \$2,524,895 in FY 08/09.

In response to a question from Mayor Hawker, Mr. Williams advised that the department began utilizing a restricted fund approach to revenues and expenditures at the direction of the Council

in 2003. He stated that by implementing the workforce reduction, which reduces the original staffing level by approximately one third, the restricted fund deficit in FY 07/08 would be \$96,000 and the fund would have a positive balance in FY 08/09 of \$410,038.

In response to a question from Vice Mayor Walters, Mr. Williams advised that none of the positions being eliminated are currently vacant. He stated that ten vacant positions were eliminated at the beginning of FY 07/08.

Ms. Zielonka reported that staff met with all of the affected employees, and she advised that Human Resources established a Vacancy Review Committee, which attempts to match the employees to other vacant positions within the City. She added that additional assistance is being provided to the employees, such as identifying employment opportunities outside of the City of Mesa.

Ms. Zielonka concurred with comments made by Vice Mayor Walters that the reduction in workforce affects the lives of the employees and the employees' families. She said that in meetings with employees, management stressed the fact that the reductions reflect economic conditions and are unrelated to job performance.

Mr. Williams continued the PowerPoint presentation by stating that turnaround times, services and workload fluctuations would be monitored on a weekly basis and that revenues and expenditures would continue to be tracked on a monthly basis. He advised that the department would discontinue providing service at the East Mesa Service Center effective at the end of the month. He noted that although the closure will create some inconvenience for customers presently served at that location, the industry recognizes the necessity for taking the action. Mr. Williams said that "project coordination" services would continue on a reduced and more focused basis. He added that all services would be reviewed to maximize efficiency, and he advised that fee increases would be addressed during the normal budget process.

Ms. Zielonka said that staff is reviewing the possibility of proposing a technology improvement fee. She advised that Tidemark, the electronic permitting system, is aging and that staff is in the process of evaluating the alternatives, such as a Tidemark update or a new technology product. Ms. Zielonka stated that the Budget & Finance Department has indicated that a new "sub restricted fund" could be established for technology, and she added that a proposal for a technology fee would require Council approval.

Mr. Wesley continued the PowerPoint presentation by noting that although the number of cases processed through the Planning Department has increased, the size of the projects are smaller. He reported that the average case in FY 06/07 was 60 acres compared to 19 acres in FY 07/08, and the number of cases over 250 acres decreased from five in FY 06/07 to zero in FY 07/08 to date.

Responding to a question from Councilmember Somers, Mr. Wesley advised that there is no correlation between the size of the project and the amount of staff time required. He noted that certain small projects could be complicated, such as the recent Lowe's or Hurricane Bay cases, both of which required a significant amount of staff time.

Discussion ensued relative to the fact that the tracking of staff time continues to improve; that the Planning Department exceeded the cost recovery goal in FY 06/07; that Planning is funded

by General Fund dollars; and that the revenues generated by Planning are returned to the General Fund.

Mr. Wesley summarized that the Planning Department's workload is expected to consist of a high level of activity for smaller projects, which is likely to generate lower revenues and less cost recovery.

Mr. Brady said that revenues and expenditures would be monitored closely. He advised that the City plans to maintain contact with the employees affected by the reduction in force and will attempt to rehire these individuals when economic conditions improve. He added that in the event a large project is submitted that requires additional staff, the City could provide these individuals the opportunity to work on a contractual basis.

In response to a suggestion by Councilmember Somers that the development community might accept higher fees for an improved service level, Ms. Zielonka advised that "expedited service" is still available as an option for the development community.

Further discussion ensued relative to the fact that the workforce reduction process is guided by a formal Management Policy; that a list of positions to be eliminated was provided to Human Resources (HR); that HR ranked the employees in the identified positions based on seniority (75 percent) and performance (25 percent); and that employees with a record of poor performance are addressed on a regular basis through the performance evaluation process.

Ms. Zielonka advised that this presentation was an update and that staff would return in March with the proposed fees and charges.

Mayor Hawker thanked staff for the update.

2. Hear a presentation, discuss and provide direction on the FY 08/09 budget for transit services, including but not limited to bus service and Dial-a-Ride.

Transportation Director Mike James displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) to provide an update on transit services and the budget. He reported that the Dial-A-Ride (DAR) budget is on target at the mid-year point. Mr. James advised that the Public Transportation Fund (PTF) would fund the Southern Avenue and Dobson Road bus routes beginning July 1, 2008, which will provide the City with \$1.6 million in annual transit cost savings. He noted that \$1.2 million of that amount would be set aside for future DAR funding requirements. He also reported that the Dobson bus route would circulate through Riverview beginning July 28, 2008. Mr. James reviewed the list of new bus routes in Phases I, II and III, and he noted that all but two routes would be funded by the Region.

In response to concerns expressed by Councilmember Somers that new routes would obligate the City to provide additional DAR service, Mr. James said that the new route on Williams Field Road extends service to a very small area and adds weekend services in a limited area. He advised that increases to the DAR service area are expected to be minimal, and he added that staff would continue to monitor this very carefully.

Mr. James addressed the FY 08/09 budget and reported that the State Legislature Budget Committee is considering suspending the Local Transportation Assistance Fund II (LTAF II),

which is the lottery funding utilized by the City for transit operations and maintenance. He advised that this action could create a \$1.15 million transit budget shortfall. Mr. James outlined two possible scenarios (see Attachment 1) to address the shortfall and then offered staff's recommendation (see Attachment 2), which would not affect DAR service. He noted that a decision to eliminate Saturday bus service, as indicated in Scenario #2, would require the public notification process outlined on Attachment 2.

Discussion ensued relative to the fact that the one-hour service frequency on Saturday would be less convenient; that the one-hour frequency would maintain service for individuals utilizing the bus system to get to their jobs; and that an individual attempting to travel from another Valley city to Mesa might be required to disembark and wait thirty minutes for a bus that continues on to Mesa.

City Manager Christopher Brady noted that last year, the Council decided to utilize \$1 million from the General Fund for the Dobson Road route until Regional funding was available. He stated that LTAF dollars represent an uncertain source with which to fund operations and maintenance. Mr. Brady advised that complete elimination of Saturday bus service legally requires an extensive public notification process, but a reduction to one-hour service would require less public notice. He expressed concern that staff's recommendation might not generate sufficient cost savings, which could result in future consideration by the Council relative to eliminating Route 136.

In response to a request from Mayor Hawker, Mr. James said he would provide passenger data for the Saturday bus service.

Mayor Hawker stated that based on the information available, he favored Scenario #1.

Responding to a question from Councilmember Somers, Mr. James advised that none of the proposals affect DAR service. He also noted that the regionally funded routes would continue to have Saturday and Sunday bus service and that only locally funded routes would be affected by the reductions.

Mr. James responded to questions from Councilmember Whalen by advising that although the Region implemented fare changes to eliminate bus tokens and transfers, the \$1.25 fare remains the same. He stated that patrons have the option to purchase an all-day bus pass, and he added that a fare increase would require extensive public hearings and notice throughout the Valley.

Government Relations Director Scott Butler came forward to address the Council and advised that although some in the Region wanted to reduce the bus fare when tokens and transfers were eliminated, Mayor Hawker led the effort to maintain the \$1.25 fare in order to address increased fuel costs.

Vice Mayor Walters expressed support for maintaining the hourly service so that many citizens could continue to have transportation to and from their places of employment. She indicated that she favored Scenario #1.

Councilmember Jones concurred that he would support implementing Scenario #1, and he added that he could not support totally eliminating Saturday bus service.

Mayor Hawker noted that the consensus of the Council was to support Scenario #1, and he thanked staff for the update.

Mr. Brady thanked Council for the direction, and he advised that staff would include this information in the upcoming budget discussions.

3. Hear a presentation, discuss and provide direction on the FY 08/09 budget for human services funding.

Mayor Hawker stated that although the current Council would discuss and propose the Fiscal Year (FY) 08/09 budget, the future Council would approve the final budget.

City Manager Christopher Brady said that in orientation meetings with Council and Mayoral candidates, he has informed them of the budget process. He stated that Councilmembers-Elect would be invited to participate in the budget discussions, and he noted that any changes proposed late in the process are likely to have consequences in other areas of the budget. Mr. Brady advised that each department has been asked to prepare a budget scenario that includes a five percent reduction. He noted that part of the future determination is whether specific programs should be eliminated or whether an across-the-board reduction should be implemented.

In response to a question from Councilmember Somers, Mr. Brady said that the difference between the reductions two years ago and the current situation is that the actions taken two years ago were based on a structural imbalance whereas the effort today is the result of economic conditions. He noted that when economic conditions improve, it could take five years to reinstate the eliminated services.

Vice Mayor Walters suggested that the Council provide policy direction to the Human Services Advisory Board regarding their recommendations for the FY 08/09 budget allocations. She noted that contributions to the "A Better Community" (ABC) fund have decreased, and she expressed the opinion that the Council should not allocate General Fund dollars to make up the difference. Vice Mayor Walters recommended that the Council direct the Board to reduce the allocations by five percent, and she added that her priorities are services that minimize Public Safety costs, such as preventing domestic violence and placing offenders with drug or alcohol issues in a facility rather than incurring expensive jail costs.

Mayor Hawker said that the Human Services Advisory Board could recommend that some programs be reduced greater than five percent, and he added that other programs unrelated to Public Safety could be eliminated.

Vice Mayor Walters noted that many social service needs increase when there is a downturn in the economy.

Councilmember Somers suggested that the Police Department provide input regarding services that support their efforts.

Human Services Specialist Lisa Wilson displayed a PowerPoint presentation (a copy is available for review in the City Clerk's Office) and noted that the Board utilizes the "Community

Safety Support Investment Model” when making funding allocations. She outlined the funding areas and the agencies that currently receive funding. Ms. Wilson summarized that with the decrease in the ABC contributions and a five percent decrease in the General Fund allocation, the amount available for human services in FY 2008/09 represents a nine percent reduction from the current year.

Housing and Revitalization Director Carolyn Olson advised that staff was seeking Council direction regarding the amount of available funding.

Ms. Wilson said that the Human Services Boardmembers would complete their site visits in May and anticipate making their allocation recommendations at that time.

Mayor Hawker stated that he was not in favor of utilizing General Fund dollars to address the decrease in ABC contributions.

In response to a question from Councilmember Whalen regarding the decrease in contributions, Ms. Wilson stated that one reason is that the on-line banking feature does not recognize the ABC donation.

Discussion ensued relative to the fact that agencies are also receiving less in State funding; and that ABC contributions can be facilitated when utilizing the City’s website to pay utility bills.

Mayor Hawker thanked staff for the presentation.

4. Hear a presentation, discuss and provide direction on the federal legislative agenda.

Government Relations Director Scott Butler displayed a PowerPoint presentation (a copy is available for review in the City Clerk’s Office) to provide an overview of the current City of Mesa and State of Arizona representation at the Federal level. He advised that four projects totaling over \$2.8 million were approved in the Fiscal Year (FY) 08 appropriations:

- Phoenix-Mesa Gateway Airport
- Law Enforcement Tactical Environmental Simulator Training (TEST)
- Va Shly’ay Akimel River Restoration
- Making Every Student Accountable (MESA) Program

Mr. Butler reviewed the City’s areas of legislative interest related to the Department of Homeland Security, the Army Corps of Engineers, the Department of Transportation, the Environmental Protection Agency and the Federal Housing Administration.

In response to a question from Councilmember Somers, Mr. Butler advised that non-chartered financial institutions are legislated by the State.

Mr. Butler outlined the following appropriation requests, and he noted that City staff was present to answer any questions:

Transportation – Housing & Urban Development (THUD)

- Phoenix-Mesa Gateway Taxiway B (Phase III) - \$10,500,000

- Phoenix-Mesa Gateway Parking Lot - \$1,500,000

Discussion ensued relative to the fact that a parking fee proposal will be presented to the airport's Board of Directors next month; that the revenue generated would address additional parking improvements; and that the parking lot would serve the commercial terminal.

- Phoenix-Mesa Gateway Aircraft Parking Apron - \$5,160,000

Total Aviation: \$17,160,000

Energy and Water

- Va Shly'ay Akimel Salt River Restoration - \$1,697,000

Mr. Butler advised that this amount would be utilized for the final phase of the project design. He noted that the construction phase was authorized in the *Water Resources Development Act* and requires a five percent local match, which will be shared equally by the City and the Salt River Pima-Maricopa Indian community.

- East Valley Water Forum - \$150,000

In response to a series of questions from Mayor Hawker, Administrative Services Director Kathryn Sorensen said that the forum could be expanded to include other geographic areas in the State of Arizona. She advised that a similar organization has been formed in the West Valley. Ms. Sorensen said that the funds would address plans to establish a water treatment plant for far east Mesa in order to maximize the use of surface water rather than ground water. She added that the planning area includes the Superstition Vistas area.

Total Energy and Water: \$1,847,000

Interior & Environment

- Mesa Grande Ruins Archaeological Park - \$450,000

Museum Administrator Dr. Tom Wilson responded to questions from Mayor Hawker by advising that during the first phase of the project, the Mesa Grande Ruins would be open to the public and staffed by volunteers. He reported that Phase I would address degradation that is already present.

Commerce, Justice, Science (CJS)

- East Valley Crime Analysis - \$1,000,000

Labor-Health and Human Services (HHS)

- Positive Alternatives for Youth - \$150,000

Transportation – Housing & Urban Development (THUD)

- Central Mesa Corridor Light Rail - \$3,880,000
- East Mesa Express Bus Expansion - \$2,622,341
- Mesa Operating Facility Expansion - \$6,000,000
- US60/Country Club Park-and-Ride Right of Way - \$1,266,770
- US60 /Country Club Park-and-Ride Design - \$222,951
- US60/Country Club Park-and-Ride Construction - \$2,318,561

Total Transportation: \$16,310,623

Mayor Hawker thanked staff for the update.

5. Hear a presentation, discuss and provide direction on a Temporary Traffic Control Program.

Transportation Director Dan Cleavenger introduced Acting Deputy Transportation Director Alan Sanderson, and he noted that the Temporary Traffic Control (TTC) Program concept was presented to the Transportation and Infrastructure Committee (TIC) in December. He explained that “temporary traffic control” refers to barricades in work zones, streets, sidewalks and rights of way. Mr. Cleavenger added that most major cities in the Valley and in the country have implemented this type of program.

Mr. Sanderson displayed a PowerPoint presentation (a copy is available for review in the City Clerk’s Office) and advised that TIC members had a favorable response to the proposal. He said that TIC suggested that the fees charged by the City relate to the time and the level of the traffic restriction. Mr. Sanderson explained that the program is designed to encourage contractors to plan in advance and coordinate with the Transportation Department in order to minimize the impact of closures on members of the public and improve safety conditions for workers, drivers and pedestrians.

Mr. Sanderson said that the proposal would enable the Transportation Department to approve street and sidewalk restrictions in advance and in consultation with the contractors, and he noted that the proposal also includes a provision for on-site inspections. He stated that making City staff aware of activity on the streets enables coordination between different contractors and ensures that the restrictions are sufficient without being excessive. Mr. Sanderson cited examples of problems encountered under the present system, such as: no pedestrian access; improper lane closures; and barricades left in place after the work has been completed. He explained that under the present system, Building Safety issues permits regarding right of ways and Tax and Licensing issues permits for special events. Mr. Sanderson added that the TTC Program would provide accountability, a process for conflict resolution, and safer streets and sidewalks. He reviewed the annual cost estimate for the TTC Program (see Attachment 3), and he noted that the proposal realigns positions in the department without increasing the number of full-time employees.

In response to a question from Councilmember Truitt, Mr. Sanderson advised that the possibility of utilizing a displaced Building Safety employee for this program has been discussed.

Responding to a question from Councilmember Somers, Mr. Sanderson stated that a schedule of sanctions and fees would be developed for the TTC Program. He said that staff developed the following alternative fee structures:

- A “per sheet” fee, which is the present fee structure, would be adjusted from the current \$40 to \$100 per sheet to \$200 per sheet for right-of-way permit work. This alternative has no incentive to minimize restrictions and the revenue varies with the level of construction activity.
- A “project time” fee approach would be easy to implement. The contractor estimates the duration with the right-of-way permit application, and there is some incentive to minimize the duration of the traffic restrictions. Revenues under this alternative are difficult to predict.
- A “lane rental” fee would be more difficult to implement and administer, but it provides an incentive to minimize restrictions. Revenues would be difficult to predict.

Mr. Sanderson advised that staff recommends the “project time” fee alternative because implementation would be simple and an incentive is present to minimize the duration of the restrictions. He added that as detailed data is collected on traffic restrictions, the approach to fees could migrate to a lane rental fee. He reported that Glendale utilizes a lane rental fee, Goodyear has a project time fee, and Phoenix funds their program by assessing fines.

Mayor Hawker said he concurred with staff’s recommendation, and he agreed that the lane rental fee would be a goal for the future.

In response to a question from Mayor Hawker, Mr. Sanderson advised that although a fee would not be assessed for City-contracted projects, a permit would still be required and the process would be controlled through the project specifications.

Mayor Hawker stated that staff has direction to move forward, and he thanked staff for the presentation.

6. Acknowledge receipt of minutes of various boards and committees.

- a. Economic Development Advisory Board meeting held on December 4, 2007.
- b. Parks and Recreation Board meeting held on January 10, 2008.

It was moved by Councilmember Somers, seconded by Councilmember Jones, that receipt of the above-referenced minutes be acknowledged.

Mayor Hawker declared the motion carried unanimously by those present.

7. Hear reports on meetings and/or conferences attended.

Mayor Hawker:	Maricopa Association of Governments (MAG) Transportation Policy Committee meeting (a copy of a map provided to the Councilmembers titled, “Visual Volume-to-Capacity Ratio” is available for review in the City Clerk’s Office).
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Councilmember Jones: Valley Metro Light Rail meeting.
Man and Woman of the Year Event.

8. Scheduling of meetings and general information.

City Manager Christopher Brady stated that the meeting schedule is as follows:

Thursday, February 21, 2008, 10 a.m. – Transportation & Infrastructure Committee

Saturday, February 23, 2008, 9 a.m. – Mesa Public Library's Century of Service Celebration

Thursday, February 28, 2008, 7:30 a.m. – Study Session – Cancelled

Monday, March 3, 2008 – TBA – Study Session

Monday, March 3, 2008 – 5:45 p.m. – Regular Council Meeting

9. Items from citizens present.

There were no items from citizens present.

10. Adjournment.

Without objection, the Study Session adjourned at 9:50 a.m.

KENO HAWKER, MAYOR

ATTEST:

LINDA CROCKER, CITY CLERK

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Study Session of the City Council of Mesa, Arizona, held on the 21st day of February 2008. I further certify that the meeting was duly called and held and that a quorum was present.

LINDA CROCKER, CITY CLERK

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Attachments (3)